

So Ordered.

Signed this 19 day of July, 2019.



Margaret Cangilos-Ruiz
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

CENTERSTONE LINEN SERVICES, LLC,
ATLAS HEALTH CARE LINEN SERVICES CO., LLC,
ALLIANCE LAUNDRY & TEXTILE SERVICE, LLC,
ALLIANCE LAUNDRY AND TEXTILE SERVICE OF
ATLANTA, LLC, and
ALLIANCE LTS WINCHESTER, LLC
*d/b/a Clarus Linen Systems*¹,

Debtors.

)
)
) Case Nos.
) 18-31754 (main case)
) 18-31753
) 18-31755
) 18-31756
)
) 18-31757
)
) Chapter 11 Cases
) Jointly Administered
)
)

**ORDER GRANTING MOTION BY ATLAS HEALTH CARE LINEN SERVICES CO.,
LLC d/b/a CLARUS LINEN SYSTEMS FOR AN ORDER PURSUANT TO SECTIONS
105 AND 363 OF THE BANKRUPTCY CODE AUTHORIZING ATLAS TO SELL
LINEN INVENTORY AND LINEN CARTS FREE AND CLEAR OF LIENS, CLAIMS
AND ENCUMBRANCES WITHOUT FURTHER COURT APPROVAL**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Centerstone Linen Services, LLC d/b/a Clarus Linen Systems (5594) ("Centerstone"); Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems (2681) ("Atlas"); Alliance Laundry & Textile Service, LLC d/b/a Clarus Linen Systems (8284) ("Alliance"); Alliance Laundry and Textile Service of Atlanta, LLC d/b/a Clarus Linen Systems (4065) ("Atlanta"); and Alliance LTS Winchester, LLC d/b/a Clarus Linen Systems (0892) ("Winchester").

Debtor Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems (“Atlas”) having moved for an Order, pursuant to 11 U.S.C. §§ 105(a) and 363 of the Bankruptcy Code and Rule 6004 of the Federal Rules of Bankruptcy Procedure, authorizing Atlas to sell the Linen and Linen Carts located at its Syracuse, New York commercial laundry facility, without further court approval;

NOW, upon reading and filing the Order Reducing Time for Notice of Motion by Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems for an Order Pursuant to Sections 105(a) and 363 of the Bankruptcy Code Authorizing Atlas to Sell Linen Inventory and Linen Carts Free and Clear of Liens, Claims and Encumbrances, Without Further Court Approval entered by the Court on July 15, 2019, the Notice of Motion by Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems for an Order Pursuant to Sections 105(a) and 363 of the Bankruptcy Code Authorizing Atlas to Sell Linen Inventory and Linen Carts Free and Clear of Liens, Claims and Encumbrances, Without Further Court Approval dated July 15, 2019 and the Motion by Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems for an Order Pursuant to Sections 105(a) and 363 of the Bankruptcy Code Authorizing Atlas to Sell Linen Inventory and Linen Carts Free and Clear of Liens, Claims and Encumbrances, Without Further Court Approval dated July 15, 2019 (the “Motion”) in support of the relief requested; and the Court having held a hearing concerning the Motion on July 19, 2019 in Syracuse, New York; and Atlas having appeared by Bond, Schoeneck & King, PLLC (Camille W. Hill, Esq., of counsel) in support of the relief requested; and appearances having been entered on behalf of HSBC Bank USA, National Association (“HSBC Bank”) by Phillips Lytle LLP (Angela Z. Miller, Esq., of counsel), the Official Committee of Unsecured Creditors (the “Committee”) by Montgomery McCracken Walker & Rhoads LLP (Gilbert R. Saydah, Jr., Esq.,

of counsel) and the Office of the United States Trustee by Guy A. Van Baalen, Esq.; and no opposition to the relief requested having been filed; and upon due deliberation of the Court and good cause therefor, it is hereby

ORDERED, that the Motion is granted as set forth herein; and it is further

ORDERED, that Atlas is authorized to sell the Linen² and Linen Carts upon terms approved by HSBC Bank, in writing and in consultation with the Committee, without the need to obtain further Court approval; and it is further

ORDERED, that Atlas customers purchasing Linen or Linen Carts will receive a Bill of Sale, but will be required to (i) pay the agreed-to purchase price for the Linen and Linen Carts directly to Atlas's counsel, to be held in escrow, and (ii) pay all of the respective customer's outstanding accounts receivable owed to Atlas directly to Atlas's counsel, to be held in escrow, as a condition to closing of the sale and receiving the Bill of Sale; and it is further

ORDERED, that no later than three business days following receipt of the foregoing funds, Atlas's counsel shall (i) wire transfer 95% of the Linen and Linen Cart sale proceeds to HSBC Bank and retain 5% of the sale proceeds for the benefit of the estate, and (ii) wire transfer 100% of the accounts receivable collected to HSBC Bank; and it is further

ORDERED, that the parties who purchase the Linen and Linen Carts from Atlas shall be afforded the protections of 11 U.S.C. § 363(m), and receive the assets free and clear of all liens, claims and encumbrances (collectively, the "Liens"), which Liens shall attach to the sale proceeds; and it is further

ORDERED, that Atlas is authorized to execute and deliver all documents and take such other actions as may be necessary or appropriate to implement and effectuate the transactions contemplated by this Order; and it is further

² Capitalized terms not expressly defined herein have the meaning ascribed to them in the Motion.

ORDERED, that the Court shall retain jurisdiction concerning all matters arising in connection with the implementation of this Order and the sales contemplated hereunder.

#